



**STATE OF DELAWARE  
PUBLIC SERVICE COMMISSION**

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**MEMORANDUM**

**TO:** The Chair and Commissioners

**FROM:** Lisa B. Driggins, Public Utilities Analyst *LBD*

**DATE:** March 20, 2014

**SUBJECT:** IN THE MATTER OF THE APPLICATION OF ARTESIAN WATER COMPANY, INC., FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE WATER SERVICES TO A TOTAL OF 31 PARCELS OF LAND LOCATED BETWEEN THE TOWNS OF GEORGETOWN AND REHOBOTH BEACH, SOUTH OF THE TOWN OF MILTON, AND NORTH OF THE TOWN OF MILLSBORO, SUSSEX COUNTY, DELAWARE (FILED MAY 26, 2005 AND AMENDED AUGUST 31, 2005 AND SEPTEMBER 2, 2005)  
**PSC DOCKET NO. 05-CPCN-18 "INDIAN RIVER, PHASE 2"**

IN THE MATTER OF THE APPLICATION OF ARTESIAN WATER COMPANY, INC. TO ABANDON UNDER 26 DEL. C. § 203A(d) WATER SERVICES PROVIDED UNDER A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY (FILED JANUARY 8, 2014; AMENDED FEBRUARY 21, 2014, AND MARCH 12, 2014)  
**PSC DOCKET NO. 14-CPCN-01**

Artesian Water Company, Inc. (AWC" or "Company") is a utility providing water services for public use that is subject to the regulatory jurisdiction of this Commission. On September 6, 2005, the Commission granted via Order No. 6719 AWC's application for a Certificate of Public Convenience and Necessity ("CPCN") for water services for 31 parcels of land specifically identified in Sussex County, Delaware, as Indian River, Phase 2. On January 8, 2014, AWC filed an application ("Application") with the Commission seeking to partially abandon or discontinue its CPCN for water operations or services by removing one of the parcels of land from its CPCN, specifically Sussex County Tax Map Parcel Number MD00-234-23.00-269.08 (the "Parcel"). If the Commission grants the Application, AWC will still have a CPCN for all of the other parcels that are within the existing CPCN.

On February 21, 2014, and March 12, 2014, at the request of Staff, AWC supplied additional information to amend and supplement its Application.

Delaware law provides that no public utility shall abandon or discontinue, in whole or in part, any regulated public utility business, operations or services provided under a certificate of public convenience and necessity without first having received Commission approval for such abandonment or discontinuance. 26 *Del. C.* §203A(d)(1). Such applications must be made to the Commission in writing, verified by oath or affirmation, and be in such form and contain such information as the Commission may from time to time require. 26 *Del. C.* §203A(d)(2). Finally, the Commission must approve any such application when it finds that the utility has met its burden of proving that the abandonment or discontinuance is reasonable, necessary and not unduly disruptive to the present or future public convenience and necessity. 26 *Del. C.* §203A(d)(3).

Staff reviewed the Application for abandonment and found it complies with all Delaware statutory and regulatory requirements. The Company provided a verified application that requests to abandon a portion of the CPCN which relates to water services for the Parcel. Staff believes the abandonment is reasonable because AWC does not currently supply water services to the Parcel, and AWC's nearest water main is approximately 7 miles away. In addition, although a commercial establishment exists on the Parcel, it receives water services via a well. The abandonment is necessary because the owner of the Parcel (Laxamie, LLC) requested in writing that AWC remove such Parcel from AWC's CPCN service area. Finally, the abandonment will not be unduly disruptive to the present convenience and necessity because no existing AWC customers are located on this Parcel. In addition, AWC has asserted that the owner of this Parcel intends to seek water services from another public utility. The Application states this Parcel is surrounded by other parcels that receive water services from Tidewater Utilities, Inc. Hence, if the Commission grants the Application's request, the abandonment would not be unduly disruptive to the future convenience and necessity because future customers would not be impeded (in general) from receiving water services from another public utility. Therefore, Staff recommends that the Commission grant AWC's request to partially abandon its CPCN.

Artesian Water Company, Inc.  
PSC Docket No. 14-CPCN-01  
April 15, 2014

